

North Carolina Certificate of Need

Division of Health Service Regulation



Inventory of Health Care Facilities and Services

- Health care facilities & services and inventories updated annually in the N.C. State Medical Facilities Plan (SMFP)
- Inventory data from the Division of Health Service Regulation's (DHSR) databases
- Utilization of services and patient origin data
 - License renewal applications
 - Data submitted by health care providers (hospitals and ambulatory surgical centers)

Acute Care Hospitals

- During FY 2012
 - 112 licensed acute care hospitals
 - 20,919 licensed acute care beds
 - Average annual occupancy rate was 56%
 - 4,321,720 days of care

Acute Care Hospitals

- Most hospitals in NC are not-for-profit
- 13 hospitals are for-profit

- Central Carolina Hospital
- Davis Regional Medical Center
- Frye Regional Medical Center
- Lake Norman Regional Medical Center
- Martin General Hospital
- NC Specialty Hospital
- Sandhills Regional Medical Center
- Washington County Hospital
- Yadkin Valley Community Hospital
- Anson Community Hospital
- Pioneer Community Hospital of Stokes
- Maria Parham Medical Center
- Person Memorial Hospital

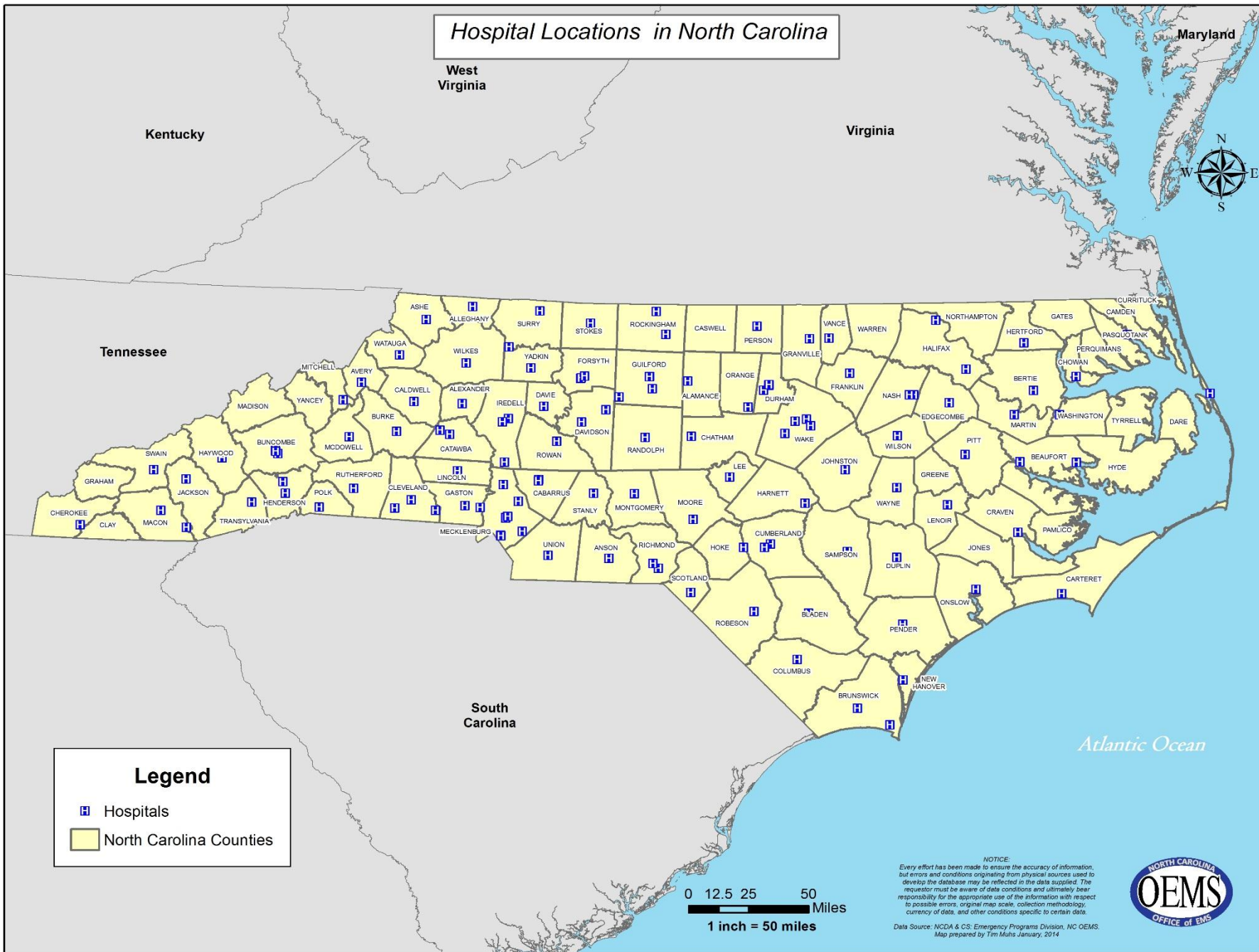
Long-Term Care Hospitals

- Provide services to in-state and out-of-state patients due to their specialized services
- 9 Long-Term Care Hospitals (LTCHs)
 - 434 beds
- 5 for-profit LTCHs:
 - Select Specialty Hospital -Durham
 - Select Specialty Hospital-Winston-Salem
 - Select Specialty Hospital-Greensboro
 - Life-Care Hospitals of North Carolina-Rocky Mount
 - Kindred Hospital-Greensboro

Rehabilitation Hospitals

- 3 licensed rehabilitation hospitals
 - Carolinas Rehabilitation Hospital –Mount Holly (40 beds)
 - Care Partners Rehabilitation Hospital Asheville (80 beds)
 - Carolinas Rehabilitation Hospital –Charlotte (129 beds)
- 742 additional licensed rehabilitation beds in 23 other licensed acute care hospitals across NC

Hospital Locations in North Carolina

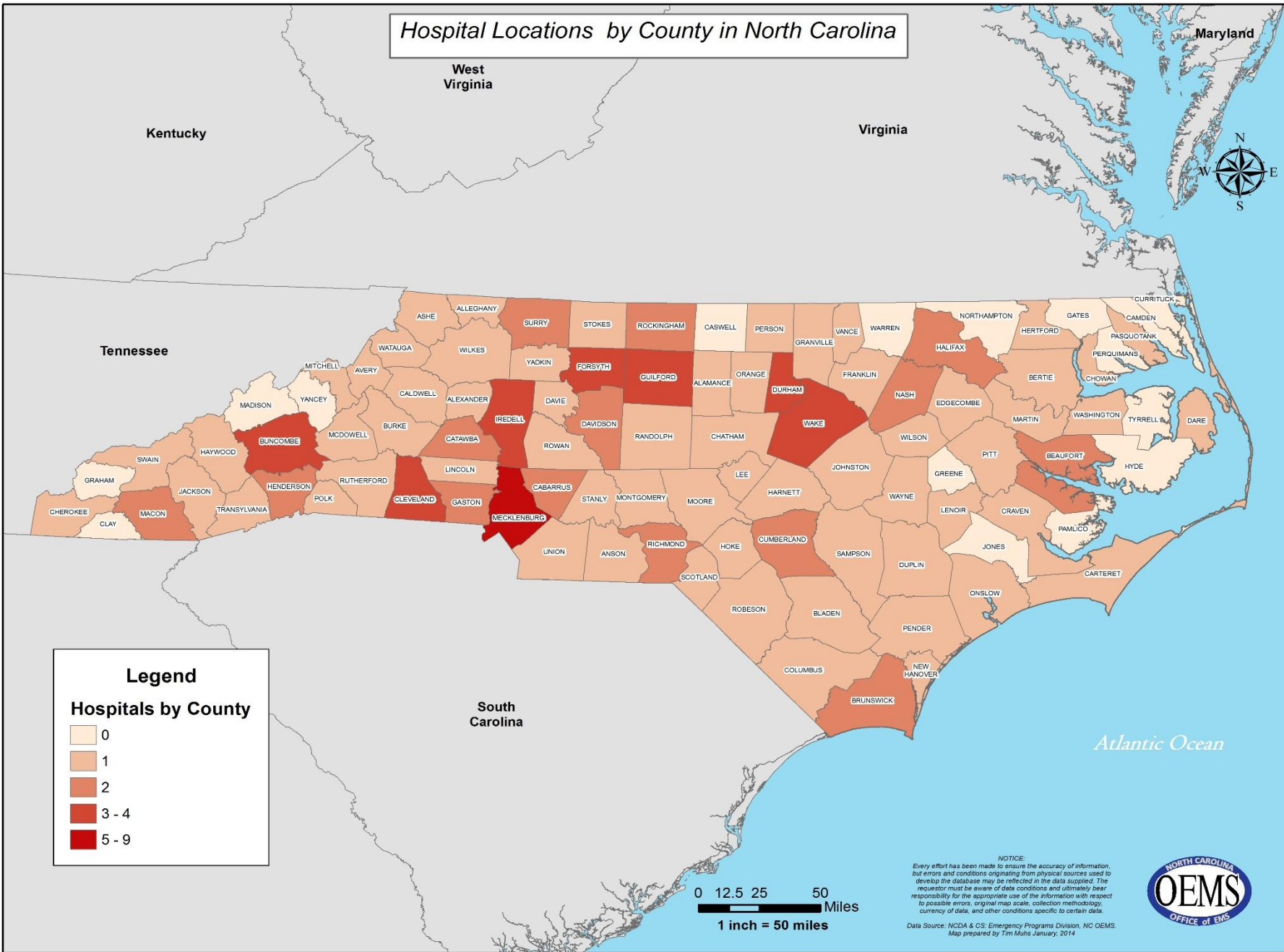


NOTICE:
Every effort has been made to ensure the accuracy of information, but errors and conditions originating from physical sources used to develop the database may be reflected in the data supplied. The requestor must be aware of data conditions and ultimately bear responsibility for the appropriate use of the information with respect to possible errors, original map scale, collection methodology, currency of data, and other conditions specific to certain data.

Data Source: NCDA & CS: Emergency Programs Division, NC OEMS
Map prepared by Tim Muhs January, 2014



Hospital Locations by County in North Carolina



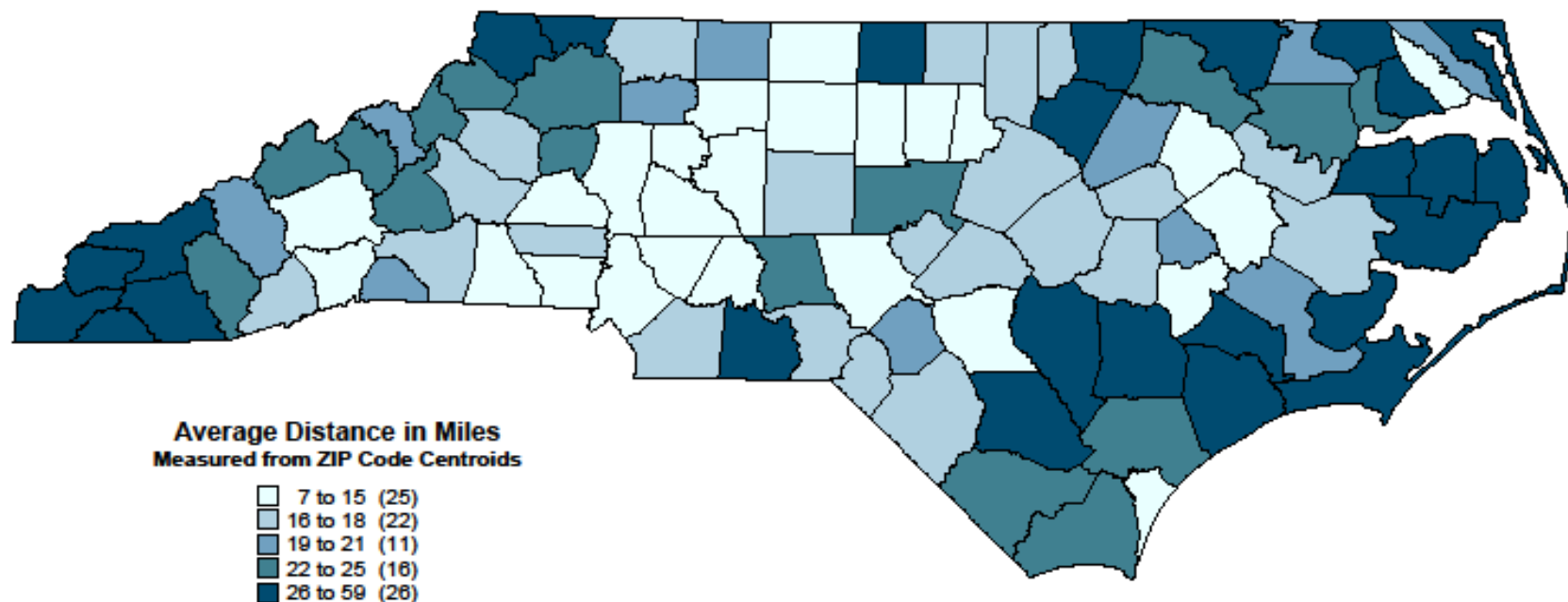
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Average Distance to Care: Miles from Residence to Hospital

Residents Discharged from North Carolina Hospitals: October 1, 2010 to September 30, 2011



Note: Discharges from Psychiatric, Rehabilitation, Long Term Care, and Substance Abuse Treatment Facilities are not included.
Normal newborn discharges (DRG 795) excluded.

Source: Truven Health Analytics (formerly Thomson Healthcare), Fiscal Year 2011.

Produced By: Cecil G. Sheps Center for Health Services Research, University of North Carolina at Chapel Hill.

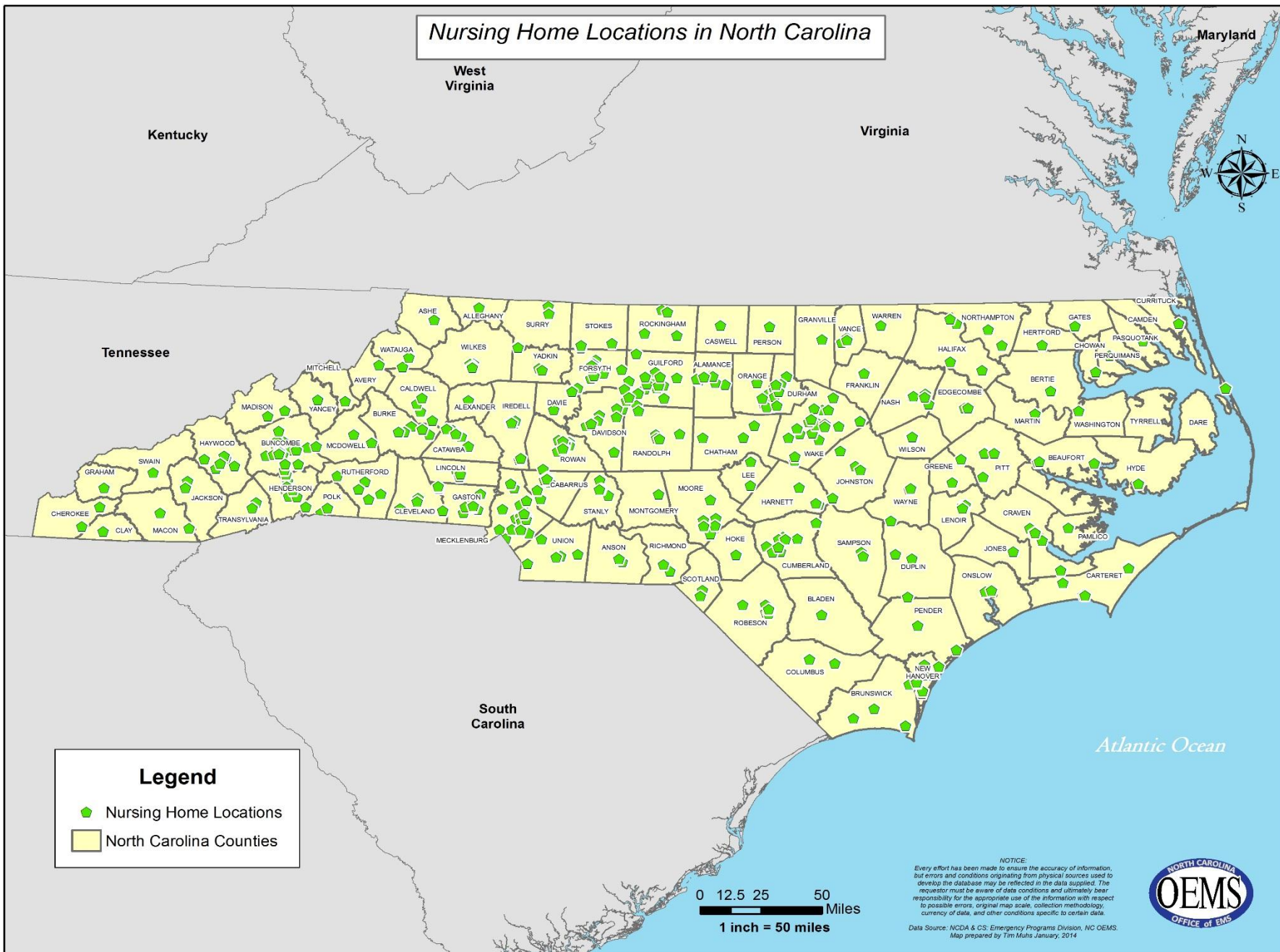
Adult Care Facilities

- 619 adult care homes
- 42,218 licensed beds
 - 89% beds in adult care homes
 - 11% beds in nursing home facilities

Nursing Care Facilities

- 414 nursing care facilities
 - 274 for-profit nursing facilities
 - 140 non-profit nursing facilities
- 45,730 licensed nursing care beds
 - 96% in nursing homes
 - 4% licensed as part of a hospital

Nursing Home Locations in North Carolina

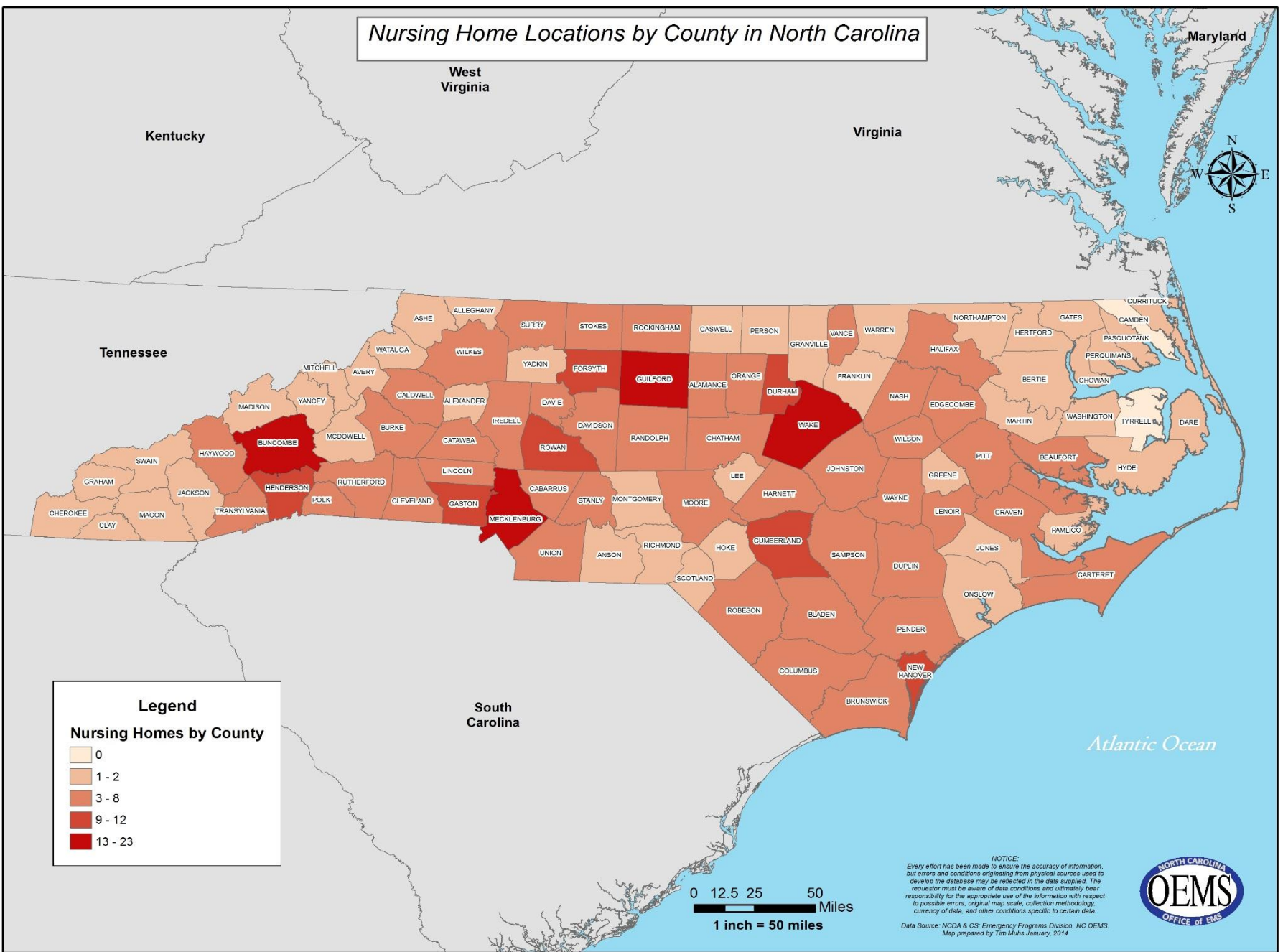


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Nursing Home Locations by County in North Carolina



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Intermediate Care Facilities for Individuals with Intellectual Disabilities

- 337 licensed Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID)
- 4 state-operated facilities exempt from licensure and Certificate of Need (CON) review

Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF-IID) in North Carolina

West
Virginia

Kentucky

Virginia

Maryland



Tennessee

Georgia

South
Carolina

Atlantic Ocean

Legend

* Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF-IID)

North Carolina Counties

0 12.5 25 50
Miles
1 inch = 50 miles

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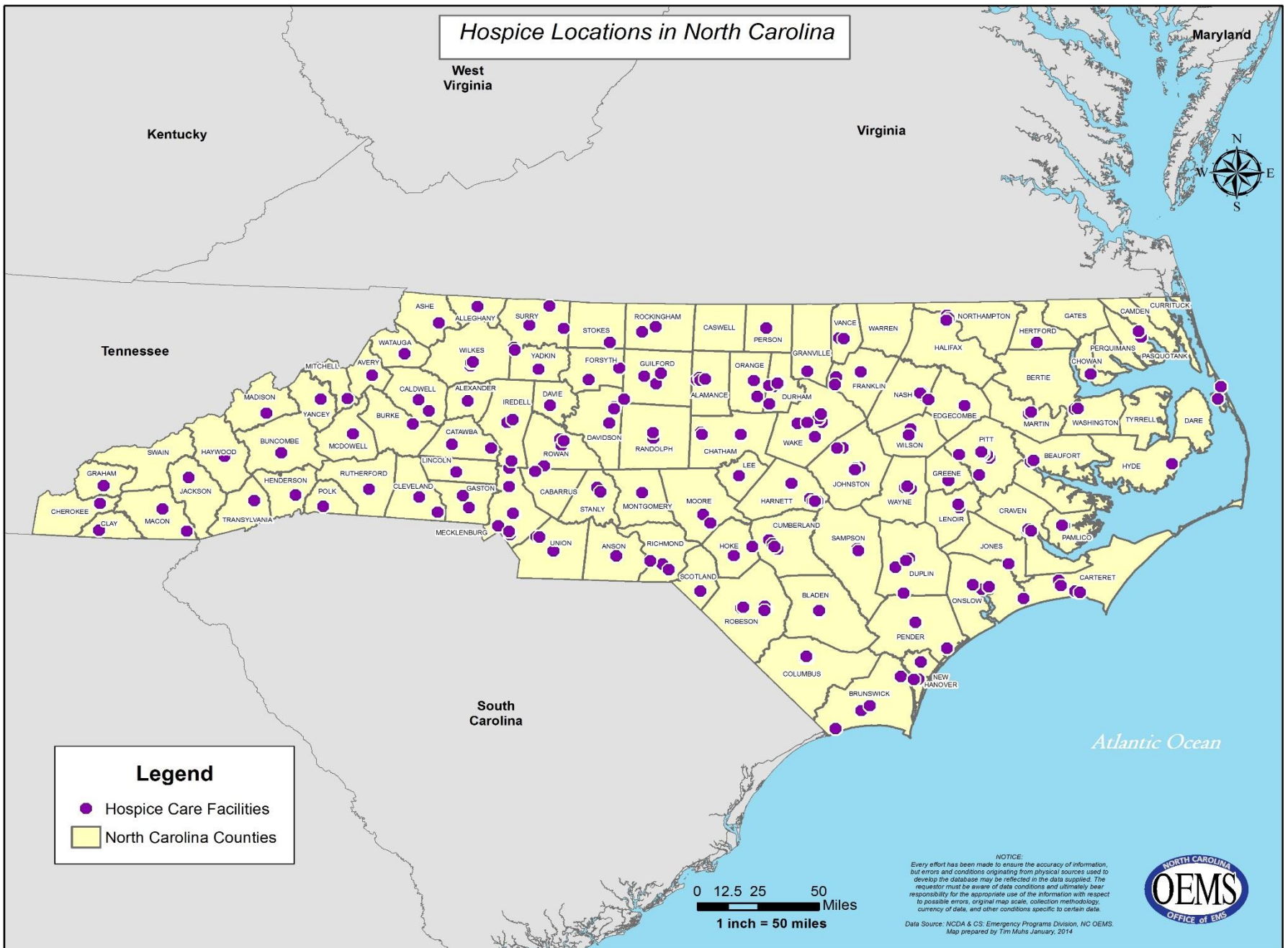
Home Health Services

- 211 Medicare-certified Home Health Agencies
- 216,923 clients were served during 2012
 - 1% increase in the number of reported patients from 2011
- Moratorium on non-certified home health agencies ends on June 30, 2014
 - No CON required for non-certified

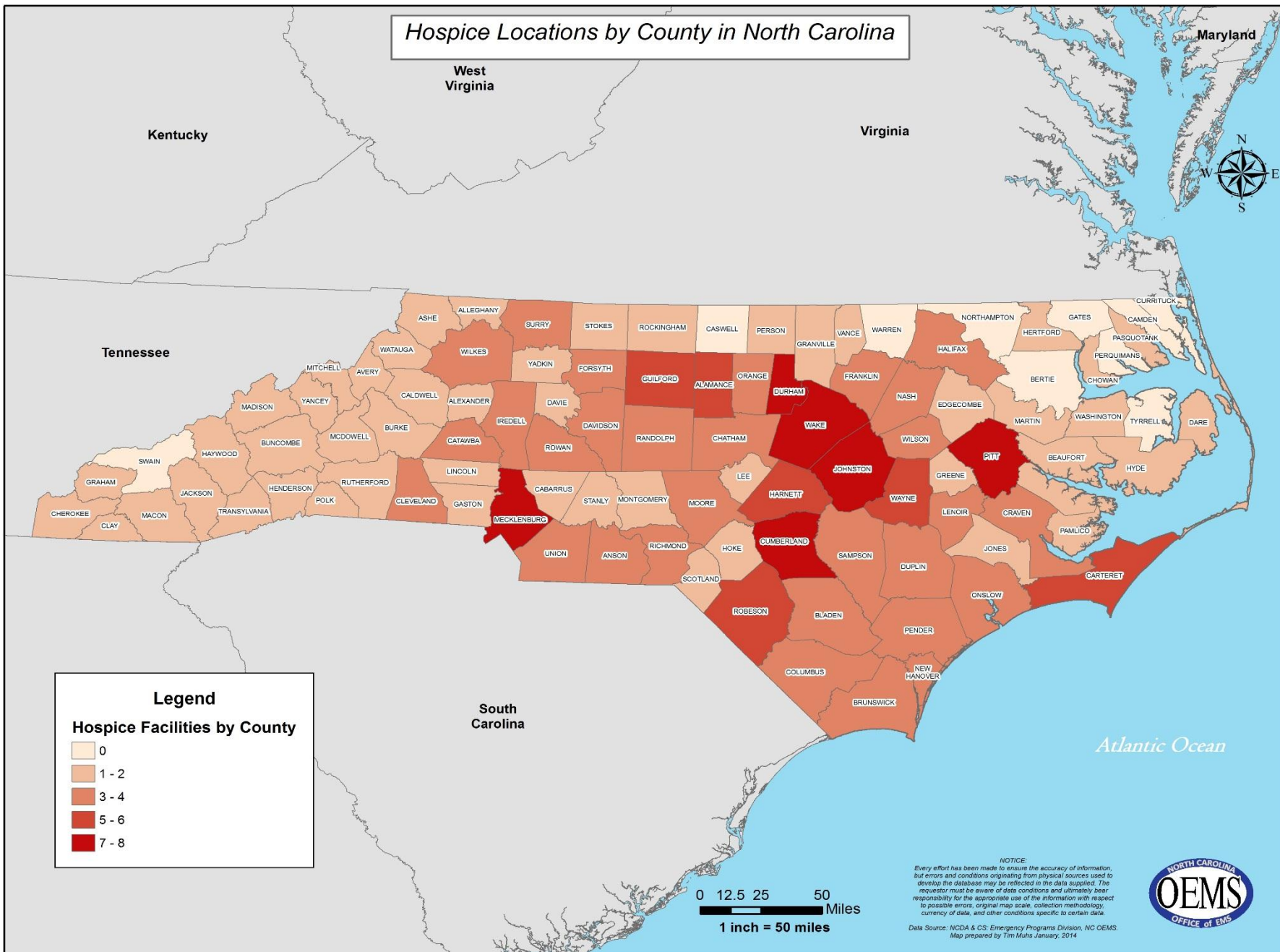
Hospice Services

- 250 licensed hospice facilities
 - Home care
 - Inpatient
 - Residential

Hospice Locations in North Carolina



Hospice Locations by County in North Carolina



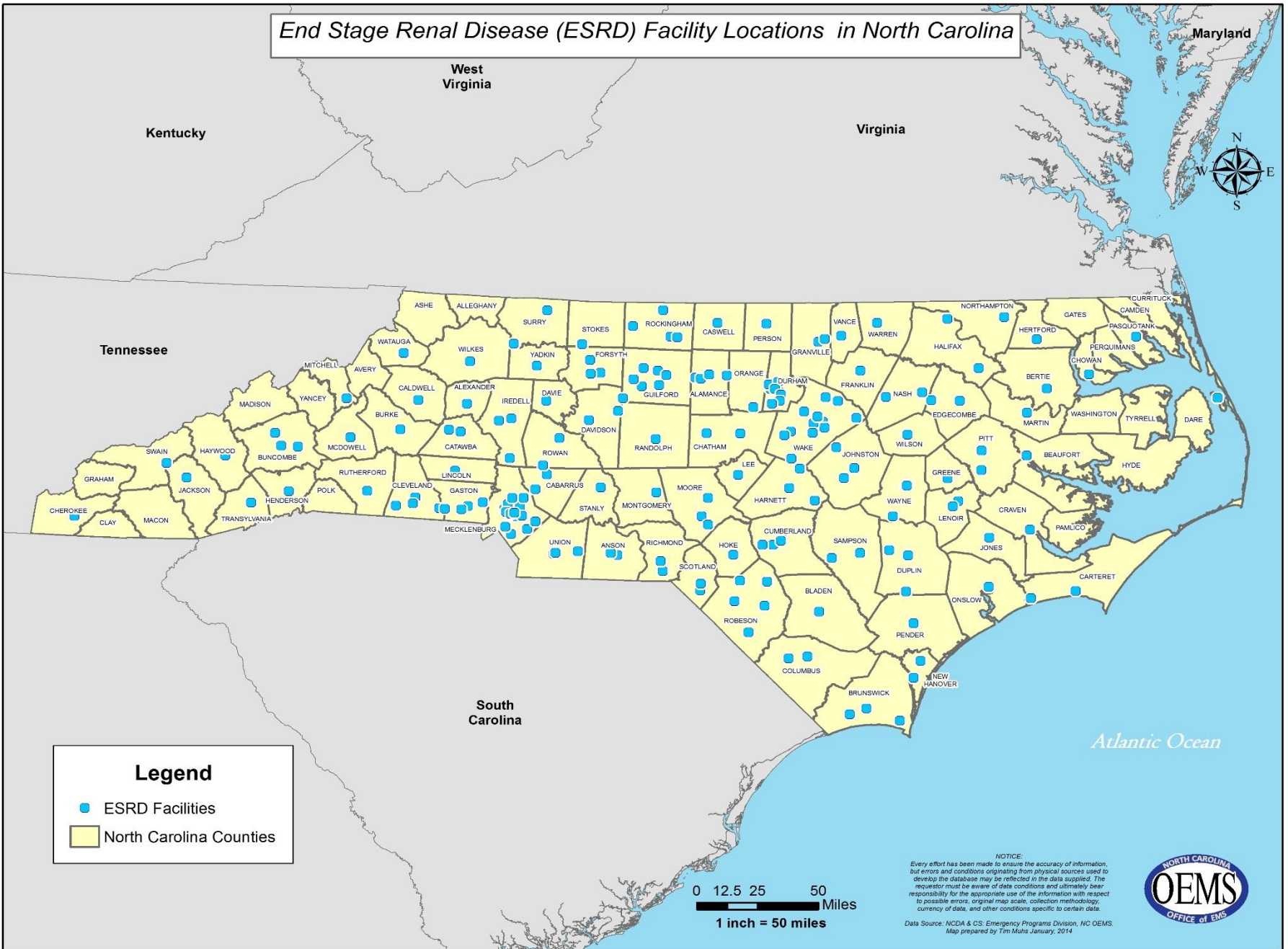
End-Stage Renal Disease Dialysis Facilities

- 187 facilities certified and operating
- 86 were at or above 80% utilization*
- Providing a total of 4,452 dialysis stations

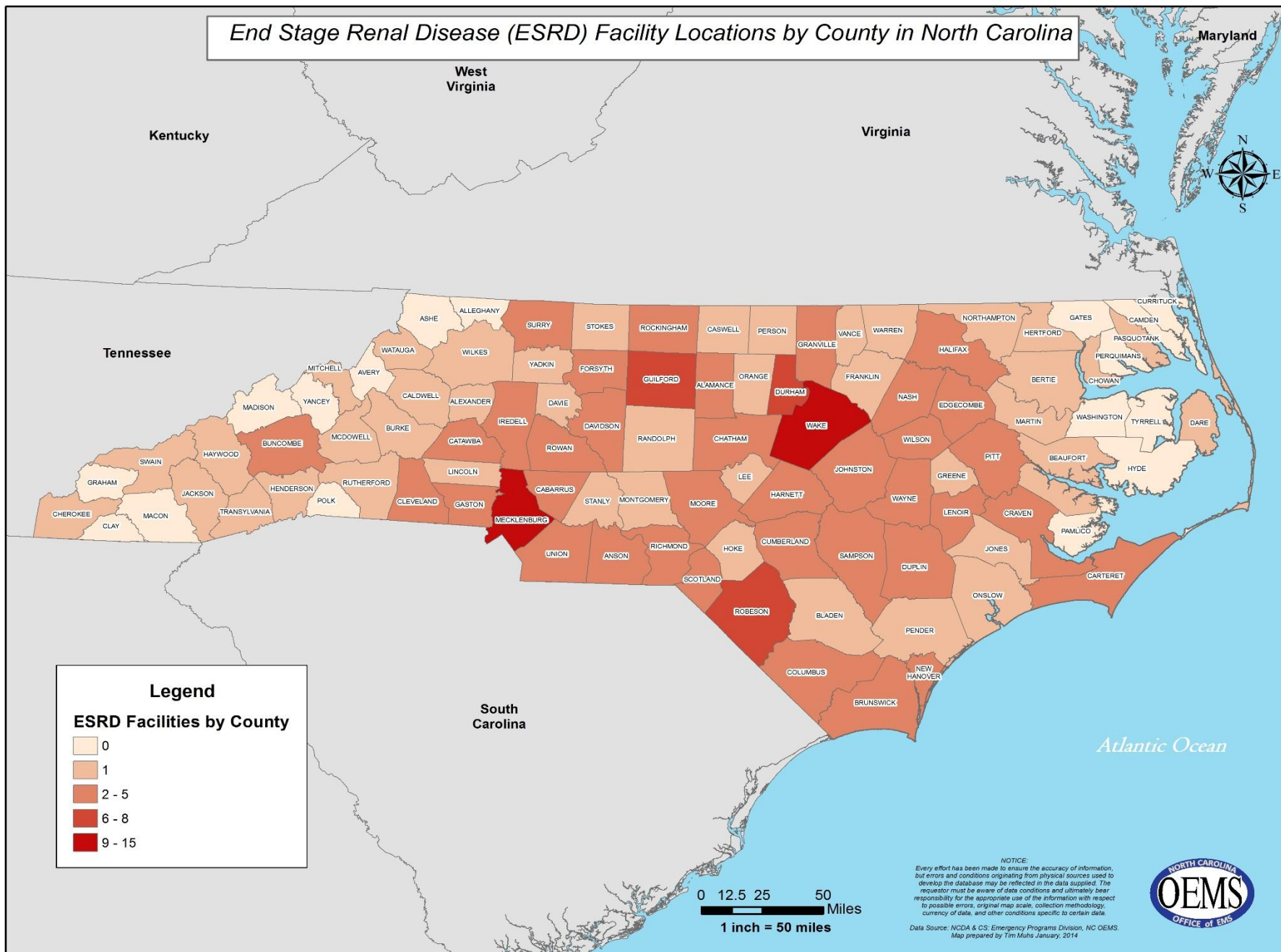
* At least 3.2 patients per station

NC SDR 2014 January

End Stage Renal Disease (ESRD) Facility Locations in North Carolina



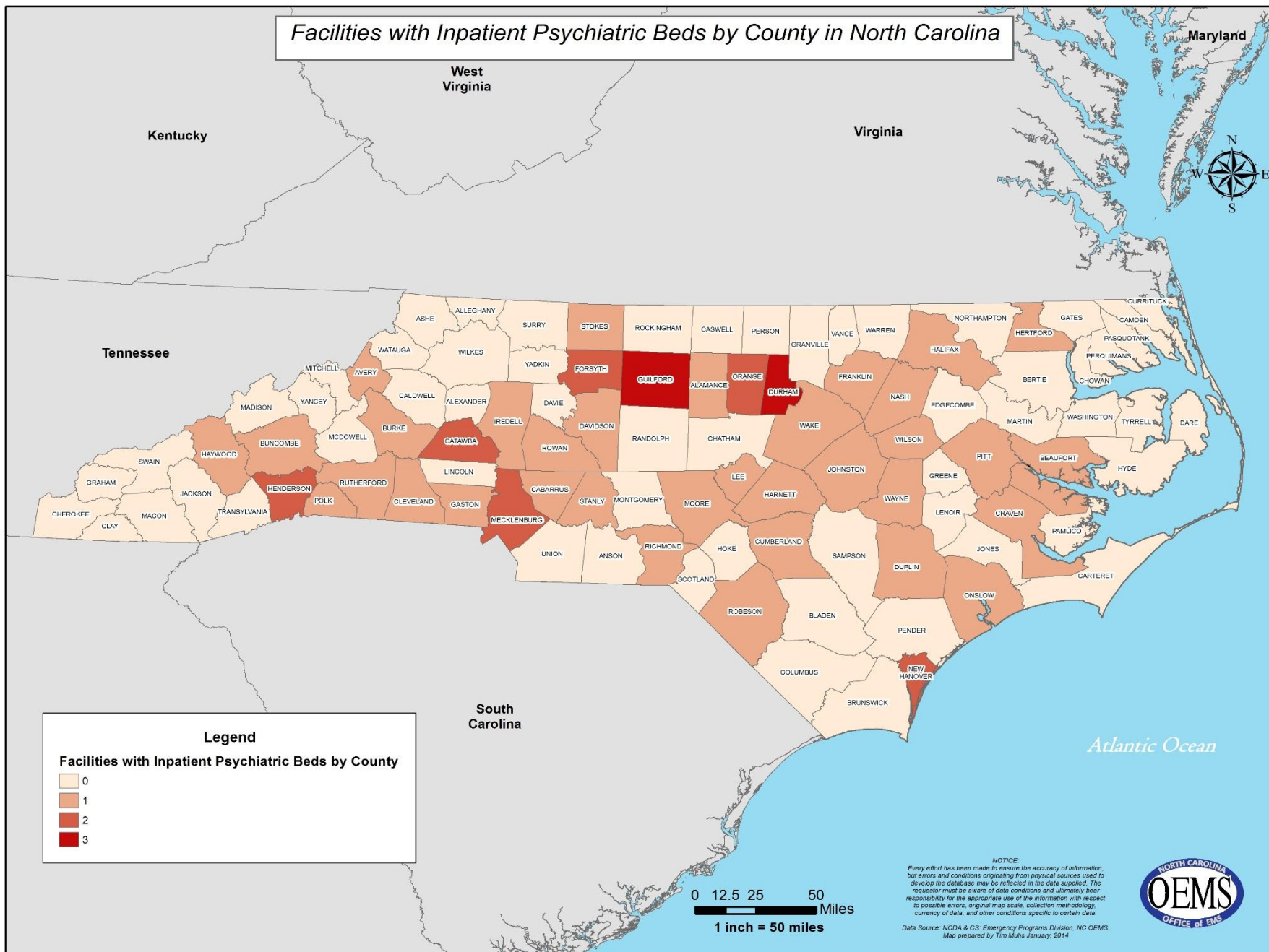
End Stage Renal Disease (ESRD) Facility Locations by County in North Carolina



Inpatient Psychiatric Beds

- Non-state operated care settings
 - 6 free-standing psychiatric hospitals
 - 45 general acute care hospitals with designated psychiatric units
- 1,878 licensed beds
 - 1,587 adult
 - 291 child/adolescent

Facilities with Inpatient Psychiatric Beds by County in North Carolina



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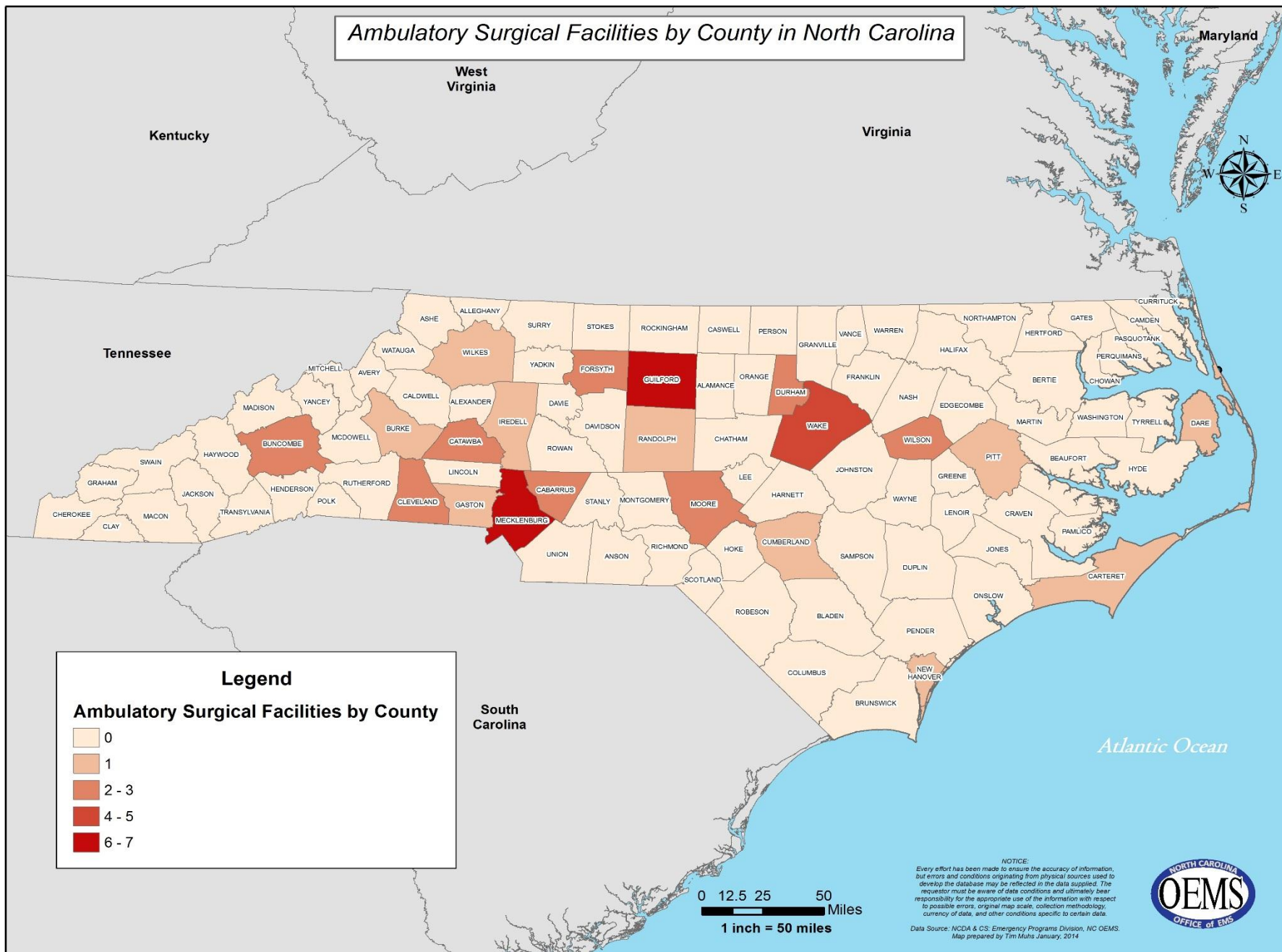
Substance Abuse Residential Treatment Beds

- Non-state operated care settings
 - 9 acute care hospitals
 - 5 free-standing psychiatric hospitals
 - 15 residential facilities
- 592 licensed beds
 - 566 adult beds
 - 26 child/adolescent beds

Licensed Surgical Facilities With Operating Rooms

- 157 licensed facilities
 - 45 free-standing ambulatory surgical centers
 - 112 hospital affiliated
- 294 operating rooms (ORs) dedicated to ambulatory surgery
- 891 shared ORs that can be used as inpatient or ambulatory

Ambulatory Surgical Facilities by County in North Carolina

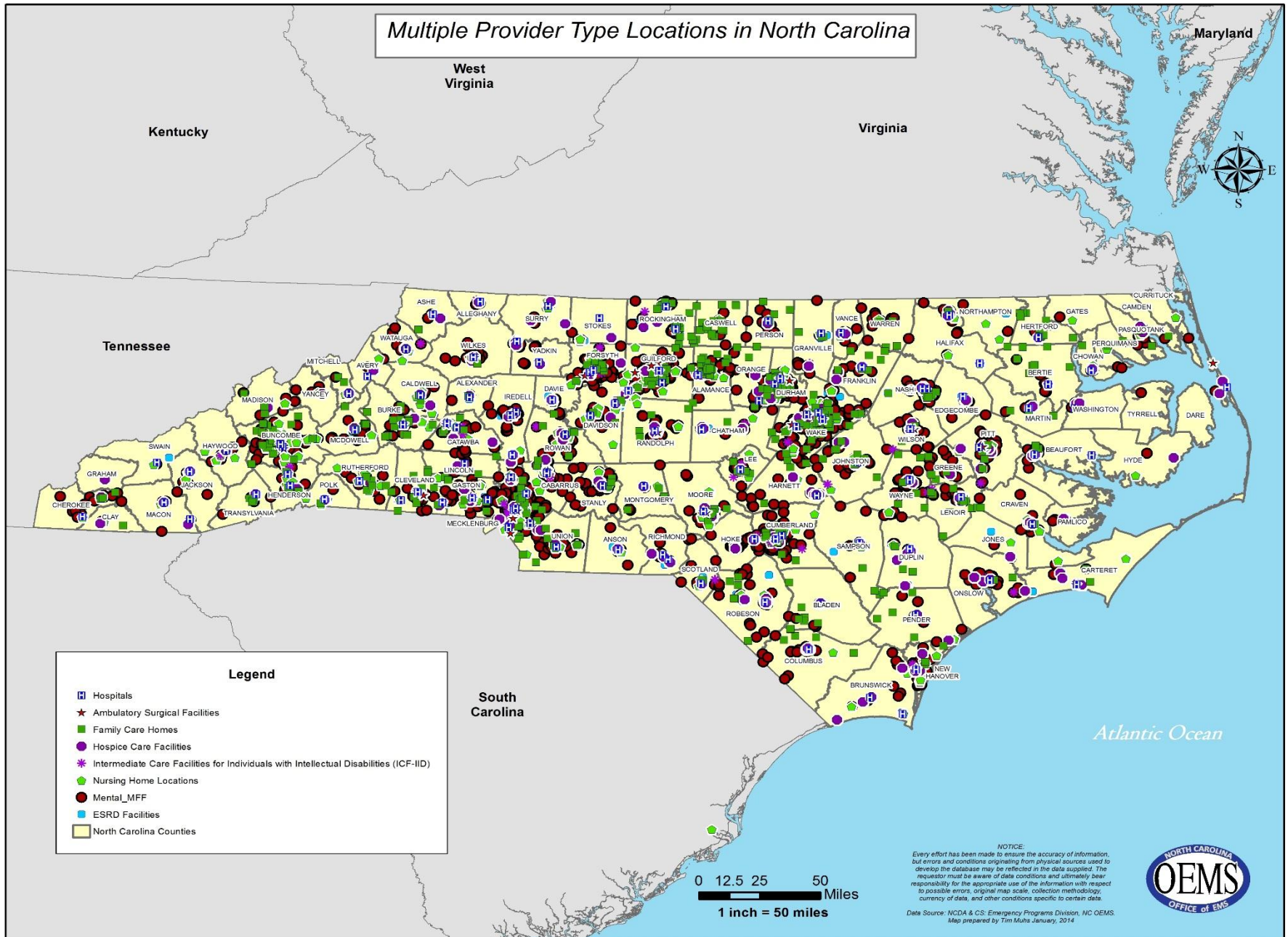


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Multiple Provider Type Locations in North Carolina



State Health Coordinating Council (SHCC)

- Directs the development of the State Medical Facilities Plan
- Established by Executive Order
- Members appointed by the Governor
- 3 standing committees
 - Acute Care Services
 - Long-Term and Behavioral Health
 - Technology and Equipment
- Convenes work groups to focus on specific issues

1st State Health Coordinating Council Meeting (SHCC)*

Public hearing following the meeting regarding the development of the Proposed Plan

Deadline for petitions for methodology/policy changes

State Medical Facilities Annual Planning Cycle

2nd Committee Meetings*

Proposed Plan released to the Public

3rd SHCC Meeting*

Final Plan to the Governor by November 1

January - March

April - June

July - September

October - December

1st Committee Meetings*

2nd SHCC Meeting*

3rd Committee Meetings*

6 Public Hearings:

Asheville
Wilmington
Charlotte
Greensboro
Greenville
Raleigh

Deadline for petitions for need determination changes

Final Plan

Reviewed, approved, and signed by the Governor no later than December 31st

Final Plan released to the public on January 1

* Meeting materials released to the public via the web one week prior.

Certificate of Need Process

- 11 Certification of Need (CON) Project Analysts
- 11 Review cycles each year
- Average ~150 CON reviews each year
- 30-day written comment period
- Public hearing held when required
- Decision must be made in 150 days
- Average review time 96 days in 2013

2013 CON Application Reviews & Appeals

8 Competitive Reviews

Applications Reviewed (29)

- 2 Conditionally Approved
- 11 Disapproved
- 16 Under Review

131 Non-Competitive Reviews

Applications Reviewed (131)

- 85 Conditionally Approved
- 11 Disapproved
- 34 Under Review
- 1 Withdrawn

Non-Competitive and Competitive Applications

- Applications must conform to applicable statutory and regulatory review criteria
- Application will be denied if it is determined the application is not conforming to one or more of the statutory review criteria or applicable rules
- Under certain circumstances, conditions may be imposed to correct the deficiency in the application

When is a Review Competitive?

- If the approval of one application requires the disapproval of another application
- Typically when there is a limit on the number of beds or pieces of equipment that can be approved due to a need determination in the SMFP
- If 10 applicants apply for 1 MRI scanner, only 1 applicant can be approved (G.S. 131E-183(a)(1))

Competitive Review Process

- Review each application independently
- Conduct a comparative analysis to determine which application is the most effective alternative
- Applications that are not conforming to ALL applicable statutory and regulatory review criteria are not considered to be effective alternatives and are denied

Why are non-competitive applications appealed?

- The applicant may appeal the denial of his or her application
- An “affected party” (as defined in G.S. 131E-188.(c)) may appeal the approval of the application

Time Frames for Appeals

- 30-days for affected party to appeal to the Administrative Law Judge (ALJ) at the Office of Administrative Hearings (OAH)
- 270 days for ALJ to make a decision after hearing the case
- Appeals to the Court of Appeals have no time limit and can take 1-2 years to be decided
- Decisions by the Court of Appeals can be appealed to the Supreme Court

Appeals (G.S. 150B)

- 11 of the 2013 decisions appealed
 - 5 Competitive decisions appealed*
 - 6 Non-competitive decisions appealed*
- In last 4 years no agency decisions were overturned in the Court of Appeals

* 2013 applications still under review and decisions still within the appeal window are subject to appeal.

State Agency Cost of Litigation FY 2013

- Contract Expense (attorney salaries & fringes)
= \$354,221
- Litigation = \$75,358
- Total Cost = \$429,579

Thank you.